92 14 4587

O 20238
Q 34478

FORM 10-Q

S
92-2271

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended March 31, 1992

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 0-16117

UNSI CORPORATION
(Exact name of registrant as specified in charter)

Delaware	22-2661940
(State of Incorporation)	(I.R.S. Employer Identification No)

c/o Forstmann-Leff Associates, Inc.
55 East 52nd Street, New York, New York 10055
(Address of Principal Executive Offices) (Zip Code)

(212) 407-9450
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

APPLICABLE ONLY TO CORPORATE ISSUERS

As of March 31, 1992 the number of shares outstanding of the registrant's Common Stock was 1,810,000.

PROCESSED BY
MAY 15 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

UNSI CORPORATION

BALANCE SHEET

ASSETS

	March 31, 1992 (Unaudited)	June 30, 1991
Current Assets		
Cash and cash equivalents	$ 594,785	$ 634,767
Total Assets	$ 594,785	$ 634,767

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accrued expenses	$ 8,776	$ 26,333
Preferred stock dividend payable	6,500	-
	15,276	26,333
Stockholders' Equity		
Preferred stock, par value $.01 per share; 1,000,000 shares authorized, 20,000 shares issued and outstanding	200	200
Capital in excess of par	199,800	199,800
Common stock, par value $.01 per share; 10,000,000 shares authorized; 1,810,000 shares issued and outstanding	18,100	18,100
Capital in excess of par	2,440,063	2,440,063
Accumulated deficit	(2,078,654)	(2,049,729)
Total Stockholders' Equity	579,509	608,434
	$ 594,785	$ 634,767

See Notes to Financial Statements

UNITED SERVICE SOURCE, INC.

STATEMENTS OF OPERATIONS

(Unaudited)

	Nine Months Ended March 31,		Three Months Ended March 31,	
	1992	1991	1992	1991
Revenue From Continuing Operations Interest income	$ 29,689	$ 32,647	$ 5,229	$ 7,532
Administrative expenses	52,114	18,000	4,503	6,000
Income (loss) from continuing operations	(22,425)	14,647	726	1,532
Discontinued Operations (Loss) from operations of discontinued business	-	(13,819)	-	-
Income (Loss) on disposal of discontinued business, including provision of $9,958 for operating losses during phase out period	-	(364,469)	-	1,685
	-	(378,288)	-	1,685
Net (Loss)	$(22,425)	$(363,641)	$ 726	$ 3,217
Earnings (Loss) Per Share Continuing operations	$(.01)	$ .01	$ -	$ -
Discontinued operations	-	(.17)	-	-
Net (Loss)	$(.01)	$(.16)	$ -	$ -
Weighted average number of shares of common stock outstanding	1,810,000	2,300,000	1,810,000	2,300,000

See Notes to Financial Statements

UNSI CORPORATION

STATEMENT OF CASH FLOWS
NINE MONTHS ENDED MARCH 31, 1991
(Unaudited)

Increase (decrease) in cash and cash equivalents

	1991
Cash Flows From Operating Activities	
Net loss	$(363,641)
Loss on disposal of discontinued business - non cash	360,586
	(3,055)
Adjustments to reconcile net loss to net cash provided from (used in) operating activities:	
Depreciation	28,000
Provision for doubtful accounts	-
Decrease in accounts receivable	128,258
Increase in prepaid expenses	(25,366)
Decrease in other assets	-
Decrease in accounts payable	(100,182)
Decrease in accrued payroll and related expenses	(8,939)
	21,771
Net cash provided from (used in) operating activities	18,716
Cash Flows From Investing Activities	
Additions to property and equipment	(39,376)
Cash reduction on disposal of business	(121,265)
Net cash used in investing activities	(160,641)
Net increase (decrease) in cash and cash equivalents	(141,925)
Cash and cash equivalents, July 1	648,000
Cash and cash equivalents, March 31	$ 506,075

See Notes to Financial Statements

UNSI CORPORATION
STATEMENT OF CASH FLOWS
NINE MONTHS ENDED MARCH 31, 1992
(Unaudited)

Increase (decrease) in cash and cash equivalents

	1992
Cash Flows From Operating Activities	
Net loss	$ (22,425)
Adjustments to reconcile net loss to net cash used in operating activities:	
Decrease in accrued expenses	(17,557)
Total adjustments	(17,557)
Net cash used in operating activities	(39,982)
Cash Flows From Investing Activities	
Additions to note receivable	(500,000)
Repayment of note receivable	500,000
Net cash used in investing activities	-0-
Net (decrease) in cash and cash equivalents	(39,982)
Cash and cash equivalents, July 1, 1991	634,767
Cash and cash equivalents, March 31, 1992	$ 594,785

See Notes to Financial Statements

UNSI CORPORATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

March 31, 1992

Note A - Basis of Presentation.

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with Regulation S-X and the instructions to Form 10-Q. These statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended June 30, 1991, and to Note B below.

Note B - Sale of Assets.

On May 14, 1991, the Company's stockholders approved the Asset Purchase Agreement dated as of October 31, 1990 pursuant to which the Company sold substantially all of the operating assets related to its satellite earth station operations (except for approximately $500,000 cash) to a corporation (the "Purchaser") wholly owned by two former officers of the Company. The Purchaser assumed all of the Company's liabilities except for expenses incurred in connection with the sale and legal and accounting services rendered subsequent to October 31, 1990.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of operations

Three and Nine Months Ended March 31, 1992 and 1991

During the three and nine months ended March 31, 1992, revenues from continuing operations were $5,229 and $29,689, respectively. During the corresponding periods in the prior year, revenues from continuing operations were $7,532 and $32,647, respectively. Revenues from continuing operations for the period ended March 31, 1992 consist of interest income derived from the investment of Company funds remaining after the sale of assets. See Note B of Notes to Condensed Financial Statements.

During the three and nine months ended March 31, 1992, the Company had income (loss) from continuing operations (i.e., the Company's interest income less the amount for administrative expenses as allocated by management), of $(726) and $(22,425), respectively. Income (loss) from continuing operations in the corresponding periods in the prior year were $1,532 and $14,647, respectively. The loss for the nine month period ended March 31, 1992 is principally attributable to expenses incurred in connection with a proposed merger that was abandoned.

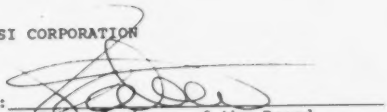
Liquidity and Capital Resources

As of March 31, 1992, the Company had working capital of approximately $580,000. However, beginning July 1, 1992, the holders of 20,000 shares of preferred stock have the right to have some or all of such shares redeemed for $10 per share (an aggregate of $200,000) plus accrued dividends. Such redemption would substantially deplete the Company's assets and working capital. The Company currently engages in no operating activities other than the investment of its cash and the search for possible merger or acquisition or other business opportunities. Accordingly, the Company's expenditures consist primarily of legal and accounting fees. The Company's working capital is sufficient to meet its present and anticipated near term operating needs.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNSI CORPORATION



By: _____
Peter Lusk, Chairman of the Board
(Principal Executive Officer and
Principal Financial and Accounting
Officer)

Dated: May 13, 1992
New York, New York